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## China, Peoples Republic of

### Agricultural Situation

### Livestock and Products

### 2008

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**Report Highlights:**

China's beef production in 2009 is expected to rise just two percent to 6.4 MMT, as increased input costs and comparatively low net returns continue to constrain supply growth. Pork production in 2009 is forecast to reach 46.8 MMT, up five percent over 2008, but still well below pre-blue ear disease levels of 52 MMT in 2006. High pork production costs continue to hinder recovery in China's pork production. The National Statistics Bureau recently announced significant revisions for 2006 meat production numbers. The PS&D tables for cattle, beef, swine, and pork included in this report have been revised based on these changes. China's 2009 beef imports are forecast to increase to 12,000 MT, while pork imports are forecast to increase to 550,000 MT. Strong domestic pork demand and short supply are forecast to continue to drive imports in 2009.

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Beijing [CH1]  
[CH]

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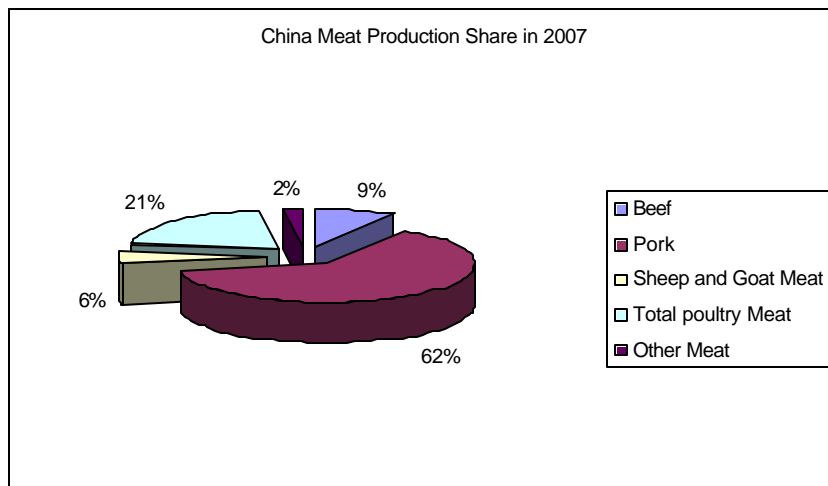
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## Executive Summary

China's total meat production in 2009 is forecast to increase by nearly four percent to 73.8 million metric tons (MMT). Beef share is forecast to account for nearly nine percent and pork share is forecast to account for about 62 percent.

Beef production growth in 2009 is expected to slow, due to smaller than expected increases in beef cattle heifers. As a result, beef production is forecast to grow by only two percent. Pork production in 2009 will recover quickly due to strong demand. However, swine and pork production levels are not expected to recover to pre-blue ear disease levels.

On April 10, 2008, China's National Statistics Bureau (NSB) announced significant revisions for 2006 meat production numbers after completing the Second National Agriculture Census



conducted at the beginning of 2007. Total meat production in 2006 was revised down eight percent to 70.9 MMT from 77.4 MMT in 2005. Beef production in 2006 was revised down 19 percent to 5.8 MMT from 7.1 MMT in 2005, and pork production in 2006 was revised down seven percent to 46.8 MMT. NSB also revised the animal inventory and slaughter figures to match beef and pork production in 2006. It is

uncertain whether NSB will change China's historical livestock numbers before 2005. FAS/Beijing and the Chinese meat industry believe the revised 2006 and 2007 numbers are in line with actual production and slaughter. The PS&D tables for cattle, beef, swine, and pork included in this report have been revised based on these changes in 2006 production.

## Cattle and Beef

### Production

#### *Increasing Beef Production, but Pace of Growth Slow*

China's beef production in 2009 is forecast to increase nearly two percent to 6.4 MMT, up from the revised 2008 estimate of 6.3 MMT, which was revised down 19 percent from the previous estimate of 7.7 MMT in line with new industry and NSB figures. The pace of growth is forecast to be .5 percent smaller in 2009 than in 2008 because of the expected slow increase in calf production in 2009.

Cattle production in 2008 has been pressured by increases in the price of production inputs. From January to June 2008, the average corn and soy meal prices were U.S. \$255 per ton (1,760 RMB) and U.S. \$586 per ton (4,040 RMB), respectively, according to the Ministry of Agriculture. The price of imported alfalfa in the first half of 2008 increased 70-80 percent. As the prices for feed grain, fuel, water, electricity, and labor continue to increase, this production pressure is expected to persist into 2009. According to China's cattle industry, the bulk of profits lie in the fattening and slaughter sectors as opposed to beef cow rearing for reproduction, which is slow because it takes about one year for a cow to produce one calf. Gross earning from one calf (not including labor and grass material costs) is only about U.S. \$145 (1,000 RMB) on average. Therefore, beef cow producers are not expected to expand

new placements by a large margin in 2009. (Please refer to CH8014 for more detailed background information.)

#### *2008 Production Impacted by Natural Disasters*

China's livestock production in 2008 was severely impacted by natural disasters. The earthquake that struck Wenchuan County in Sichuan Province on May 12, 2008, killed 1.52 million head of pigs, 60,000 head of cattle, 178,000 head of sheep and goats, and 14 million rabbits and poultry birds. A brutal ice storm in Central and South China at the end of January 2008 also negatively impacted China's livestock production. Foot and Mouth Disease (FMD) outbreaks, though reduced, still occur on occasion. Unlike the insurance subsidy provided for breeding sows, China has no subsidy program for beef breeding cattle. Breeding sow farmers pay U.S. \$1.80 (12 RMB) per head of the total U.S. \$8.70 (60 RMB) required to receive U.S. \$145 in insurance coverage per head (1,000 RMB). The balance of payment is covered by the government. Increases in production costs have pushed many small or backyard operators out of cattle rearing. This provides an opportunity for commercial cattle farms to increase production and off-set the gap left by small or backyard operators exiting the market. However, natural disasters and animal disease outbreaks, combined with increasing production costs and a lack of government support for beef cow insurance, have made China's cattle producers reluctant to expand their herds. As a result, calf production in 2009 is only expected to increase two percent.

Although China's new Law on Corporate Income Tax, effective on January 1, 2008, exempts companies involved in cattle rearing from paying corporate taxes, it has not attracted domestic and international investment to the beef sector as it did in the swine sector. This is largely because the beef cattle raising period is much longer than the rearing time required for poultry and swine. As production costs continue to increase, the profit for beef production continues to shrink relative to poultry and swine.

#### *National Beef Cattle Genetic Improvement Center Launched*

With investments totaling U.S. \$623,188 (4.3 million RMB), the National Beef Cattle Genetic Improvement Center opened its doors in March 2008 at the Northwest Agriculture and Forestry University in Yangling, Shaanxi Province. This university is well known for its animal science program. In response to an urgent need to improve beef cattle production efficiency to curb high production costs, the university will focus on building a platform to demonstrate industrialization of genetic improvements for beef cattle production and feeding technologies through information collection, evaluation, and research on China's high-quality beef cattle genetic resources. However, it will take some years to bring research up to practical use, so is not expected to significantly impact beef production in 2009.

#### *Subsidy to Boost Dairy Cattle, a Chance for U.S. Genetics*

China's dairy cattle beginning stocks in 2009 are forecast to increase by eight percent to 13.2 million head following an estimated seven-percent increase to 12.2 million head in 2008, attributed to strong demand. The 2008 estimate is revised down from the previous estimate of 14.7 million head in line with the latest industry and NSB estimates. The government subsidizes artificial insemination for dairy cows and offers two straws of high quality frozen Holstein bull semen per cow at a price of U.S. \$2.20 (15 RMB). A new policy went into effect in late 2007 that provides U.S. \$72.50 (500 RMB) for each high quality dairy cow heifer produced from pure-bred breeding stocks with registered bloodlines. These pure-bred breeding stocks are selected and cultivated at domestic breeding centers approved by and registered with the Ministry of Agriculture (MOA). Many of China's existing pure-bred breeding cows and bulls that are currently registered with MOA were imported from the United States before the outbreaks of BSE in North America. However, the United States cannot presently export breeding cows or bulls to China due to BSE-related restrictions. Currently U.S. trade potential lies with frozen semen exports to China. The U.S. Agricultural

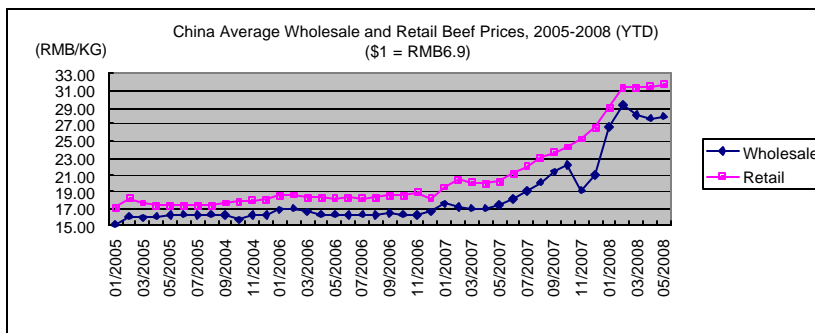
Trade Office in Guangzhou has already begun to implement an Emerging Market Program to use 2500 straws of frozen U.S. Holstein bull semen for artificial insemination among selected dairy cows in China. The program is intended to demonstrate the high quality of U.S. genetic materials to Chinese dairy cow producers. Live breeding cattle imports are expected to decline as more frozen semen is used, and U.S. exports of genetic materials should increase as a result.

## Consumption

### *High Beef Prices Impact Consumption*

China's beef consumption in 2009 is forecast to increase by less than two percent to 6.3 MMT, up from the revised 2008 estimate of 6.2 MMT, revised down 19 percent from the previous estimate of 7.6 MMT to reflect the latest industry and NSB data. Higher wholesale and retail prices are expected to constrain domestic beef consumption in 2009.

From January to June 2008, China's average retail beef prices increased by 54 percent to U.S. \$452 per ton (3,117 RMB), up from U.S. \$294 per ton (2,028 RMB) over the same period in 2008. These high prices are mainly attributed to a 14-percent decline in pork production in 2006 and 2007 from 2005 production, which hampered supply, and the fact that beef increasingly serves as a substitute for pork. Even when pork and broiler prices declined by five and three percent, respectively, between April to June 2008 in response to increased pork and broiler production, the price of beef continued to rise because of lower



production. Beef for human consumption commands the highest price when compared with pork and broiler meat prices. Although the average price of imported beef from January-June 2008 decreased by 21 percent to \$4,755 MT from \$6,039 MT over the same period in 2007, it was still two percent higher than domestic beef prices. The government provides meat subsidies to China's lowest-income consumers, varying from U.S. \$4.30 to \$8.70 per person per month (30-60 RMB) depending on income levels. Many low or middle-income consumers who do not receive subsidies have been forced to switch to lower priced broiler meat as a substitute for pork and beef.

### *China Elected OIE Commission Vice President for Asia-Pacific Region*

The World Organization for Animal Health (OIE) convened its 76<sup>th</sup> session of the General Assembly in Paris, France at the end of May 2008. At the meeting Zhang Zhongqiu, Deputy Director General of the Veterinary Bureau at MOA was elected OIE Commission Vice President of the Asia-Pacific Region. China has not yet lifted its ban on imports of live cattle and beef products from the United States due to BSE-related restrictions. Zhang's election to this new position will hopefully aid China in better understanding of the OIE principles for beef trade with countries that have had BSE cases.

## Trade

### *Increasing Beef Imports*

China's 2009 beef imports are forecast to increase by nine percent to 12,000 MT, up from the revised estimate of 11,000 MT in 2008. In the first half of 2008, Uruguay surpassed Australia and New Zealand to become the largest direct supplier of beef to China. This is mainly attributed to a decline in beef production in Australia and New Zealand and also because the price of imported beef from Uruguay dropped 29 percent to \$2,209 per ton,

compared with \$7,594 and \$2,993 per ton from Australia and New Zealand, respectively. Brazil is the largest supplier of re-exports to China via Hong Kong. Since the re-export volume is small, the price is elastic.

#### *Decreasing Live Cattle and Beef Exports*

China's live cattle exports in 2009 are forecast to decrease by six percent to 30,000 head, down from the revised 2008 estimate of 32,000 head. This reflects the slow increase in China's beef production. Hong Kong and Macau are China's dominant live cattle export markets, with Hong Kong accounting for 90 percent of the export market share. The appreciation of the RMB against the Hong Kong Dollar<sup>1</sup> has led to higher export prices, constraining exports as a result.

China's beef exports in 2009 are forecast to decrease by 21 percent to 48,000 MT. Hong Kong is traditionally China's largest beef export market. However, China's exports only account for one percent of its total domestic production. The forecast decrease in 2009 exports is not only because of slow domestic production, a stronger RMB exchange rate against the U.S. and Hong Kong Dollar, but also because U.S. exports of beef recently resumed to South Korea. During the absence of U.S. beef in the market because of BSE-related restrictions from 2003-2007, South Korea became China's second largest export market.

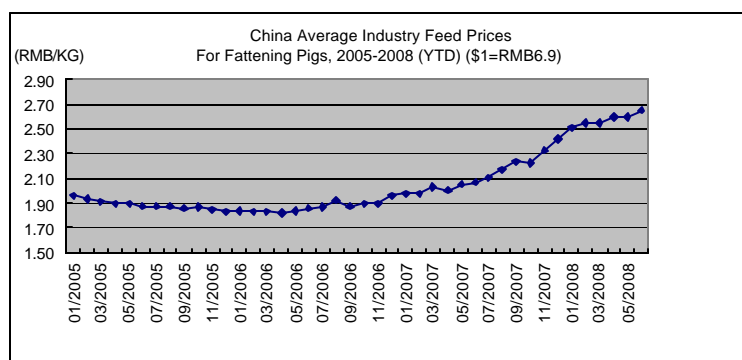
### **Swine and Pork**

#### **Production**

##### *Pork Production Recovering*

China's pork production in 2009 is forecast to recover by five percent to 46.8 MMT, up from the revised 2008 estimate of 44.6 MMT. Production is not expected to rebound to pre-porcine reproductive respiratory syndrome (PRRS or blue ear disease) levels in 2009 because increased production costs are expected to continue to hamper production. Strong demand and short supply will most likely drive China's imports in 2009, which should result in increased U.S. exports since the United States is the largest pork supplier to China.

China's swine production suffered great losses during the latter half of 2006 and the first half of 2007 due to outbreaks of PRRS in many Chinese provinces. As a result, the beginning year swine stock in 2007 is revised down 15 percent to 418.5 million head from the previous estimate, and the beginning year sow stock and swine production decreased by six and three percent to 44.2 million and 592 million head, respectively. These new figures reflect the



latest industry and NSB data. Short pork supplies have pushed prices up sharply. Increased food prices, particularly pork and vegetable oil, were major factors in a four-percent increase of China's consumer price index (CPI) in 2007. Food accounts for one-third of China's CPI calculation. From January-June 2008, China's average retail pork price increased 63 percent to U.S. \$3,047 per ton

(21,021 RMB) over the same period in 2007. April 2008 saw an increase of 78 percent to U.S. \$3,722 per ton (25,680 RMB) compared with the same month in 2007, much higher

<sup>1</sup> The RMB has appreciated 17 percent since 2005 when China discontinued its binding exchange rate against the U.S. Dollar and began using a package exchange rate.



than the average imported pork price of U.S. \$1,439 during January-June 2008. This dramatic domestic price increase explains why China's pork imports almost tripled during the first half of 2008. Although pork prices have decreased slightly due to recovering production, pork prices are expected to remain at high levels through the end of 2008 because of increased production costs, especially higher feed prices (See chart above). The price of feed accounts for 70 percent of total swine production cost in China. In July 2008, China's average production price index (PPI) rose 10 percent, the highest monthly percentage to date in 2008. On June 20, 2008, the National Development and Reform Commission approved gas and diesel price increases to U.S. \$145 per ton (1,000 RMB), which increased the cost of animal transportation. The earthquake in Sichuan Province in May, 2008 killed about five million pigs. According to media reports, the government provided 300 head of breeding stocks to the province for free to help restart production. As a result of this government help, China's total swine production in 2009 is not expected to be significantly impacted by the Sichuan earthquake.

#### *Impact of New Corporate Income Law on Swine Production*

On December 11, 2007, the State Council announced the "Regulation on Implementing the Law of the People's Republic of China on Corporate Income Tax" effective January 1, 2008. The new regulation exempts companies involved in animal and poultry rearing from paying corporate income tax, while lowering tax rates for other domestic companies to 25 percent, down from 33 percent. This new tax law has already attracted large investment in swine rearing. For example, the China National Cereals, Oils and Foodstuffs Corp. (COFCO), the country's largest oils and food importer and exporter, started a five-year pig raising project, investing U.S. \$1.36 billion in Hubei Province, Central China. COFCO will build a 500,000 head reproducible sow breeding base, a 10 million live pig raising demonstration project, and establish centers for pig breeding technology research and swine disease prevention. A U.S. investment bank is reported to have bought over 10 farms in Jiangxi and Fujian provinces. Foreign companies are also investing in swine rearing through joint ventures. The Tongrenshen Company in Hunan Province recently undertook a new 10 million swine project, which will be completed in the next few years. FAS/Beijing believes these investments will begin to show returns beyond 2009 because it takes at least one year from to grow breeding piglets to commercial swine ready for slaughter.

The incentive for swine rearing in China is driven by large profits. According to the swine industry, the grain and swine conversion ratio in May 2008 was 9.0:1, a 5-month running at this level, and a 21-month running above the profit point at 5.5:1. China raised its subsidy for sow rearing from U.S. \$7 (50 RMB) to U.S. \$14 (100 RMB) for the period July 1, 2008 to June 30, 2009, to stabilize the supply of piglets.

#### *Impact of Strategic Meat Reserves for Frozen Meat*

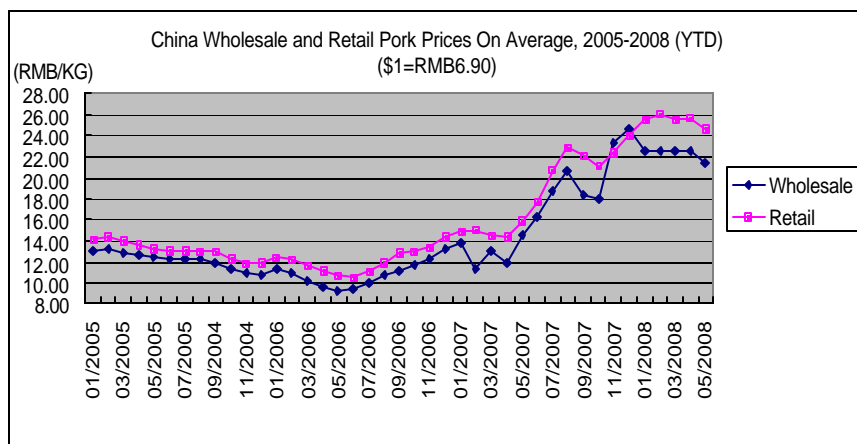
Most of China's strategic reserves are pork. Beef and mutton reserves are small and designated for specific consumers. There is no reserve for broiler meat, because broiler production cycles are short and easily recover from production disruptions. Most strategic reserves in China are held as live animals because of the high costs associated with storage in cold warehouses. The Ministry of Commerce (MOFCOM) identifies and approves swine farms for live reserves. The government provides certain subsidies to guarantee an adequate swine supply when needed. If there is no need four months into the future, farmers can sell their swine and replace them with new animals. However, farmers may not play the game when driven by high profits. The year long disruption in production caused by PRRS, and natural disasters like the May 2008 earthquake in Sichuan Province and the ice storm in South China in early 2008 forced the government to increase frozen meat reserves to guarantee an adequate supply. MOFCOM requested provincial level government reserves be large enough to supply China's more than 500 million urban residents for seven days. China's pork reserves are mostly composed of imported pork. Smithfield, a U.S. company, is

the largest supplier to the central reserves. China's increasing reserve system will continue to benefit U.S. exporters. Over the long run, the strategic reserves are expected to help stable domestic pork prices.

## Consumption

### *Pork Consumption Increasing, Despite High Pork Prices*

China's pork consumption in 2009 is forecast to increase five percent to 47.2 MMT, up from the revised estimate of 44.9 MMT in 2008 that was also a five percent increase over the revised consumption figure for 2007. As PRRS has come under control, consumer confidence in pork has recovered quickly. Pork is still the most popular animal protein, and accounts for 63 percent of China's total meat consumption. The Chinese government provides subsidies for the lowest-



income consumers to buy meat, U.S. \$4.40-8.70 per person per month (30-60 RMB) for six months of the year to help encourage consumption. However, the government also capped pork prices in February 2008 following the winter ice storm that swept South and Central China and caused transportation and distribution channel disruptions that resulted in higher food prices. China temporarily reduced its frozen pork import tariffs from 12 percent down to six percent from the period June 1 to December 31, 2008, which is also boosting imports. Domestic pork prices decreased about five percent from April to June in response to large imports and increased domestic production. Consumers are expected to increasingly switch back to pork consumption from poultry because pork prices are expected to continue decreasing into 2009.

## Trade

### *Pork Imports Strong Despite of Rising International Pork Prices*

China's pork imports in 2009 are forecast to increase by nine percent to 550,000 MT, up from the revised estimate of 505,000 MT in 2008. Strong domestic pork demand and short supply are forecast to continue to drive imports in 2009. The United States is expected to remain the largest supplier of China's imports, despite the fact that U.S. pork export prices increased 149 percent in the first half of 2008. A substantial portion of U.S. pork is used for China's strategic reserves, a government subsidized program used to stabilize the market and ensure steady supplies.

### *Increasing Live Swine Imports*

China's live swine imports<sup>2</sup> in 2009 are forecast to increase by 11 percent to 10,000 head, up from the revised estimate of 9,000 head in 2008, as a result of China's fast recovering swine rearing sector. This increase follows the more than double increase witnessed in 2008. Increasing production costs have encouraged China's swine farmers to look for better genetics as a potential cost saving measure. In addition to pork meat, the United States is also the largest supplier of live swine to China. This trend will continue into 2009 because RMB appreciation against the U.S. dollar makes U.S. swine less expensive to import. At the

<sup>2</sup> Mainly for breeding.



same time, the RMB has weakened against the Euro, which has contributed to the decrease in China's imports from the European Union.

*Decreasing Live Swine and Pork Exports*

China's live swine and pork exports in 2009 are forecast to decrease by six and 14 percent to 1.4 million head and 170,000 MT, respectively. Hong Kong remains the dominant swine export market for mainland China. However, strong mainland demand and higher pork prices, combined with the appreciation of the RMB against the Hong Kong Dollar (the RMB has already appreciated 17 percent), will narrow the competitive profit margin for Hong Kong and constrain China's exports to Hong Kong.

China's total pork exports are expected to be hampered by high Chinese pork prices. From January to June 2008, China's average export pork price was \$3,319 MT, a 55 percent increase over the same period in 2007. As a result exports to Hong Kong and Japan - the top two markets for China's pork exports - decreased by 34 and 44 percent, respectively, in the first half of 2008.



## Meat, Beef, and Veal PS&amp;D Table

Meat, Beef and Veal China	2007			2008			2009			
	2007			2008			2009			
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan	
			Data			Data			Data	
Slaughter (Reference)	58760	58760	43595	60000	60000	44990			46436	(1000 HEAD)
Beginning Stocks	0	0	0	0	0	0			0	(1000 MT CWE)
Production	7480	7480	6134	7730	7730	6260			6360	(1000 MT CWE)
Intra -EU Imports	0	0	0	0	0	0			0	(1000 MT CWE)
Other Imports	5	8	8	30	30	11			12	(1000 MT CWE)
Total Imports	5	8	8	30	30	11			12	(1000 MT CWE)
Total Supply	7485	7488	6142	7760	7760	6271			6372	(1000 MT CWE)
Intra EU Exports	0	0	0	0	0	0			0	(1000 MT CWE)
Other Exports	81	81	81	78	78	61			48	(1000 MT CWE)
Total Exports	81	81	81	78	78	61			48	(1000 MT CWE)
Human Dom. Consumption	7404	7407	6061	7682	7682	6210			6324	(1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0			0	(1000 MT CWE)
Total Dom. Consumption	7404	7407	6061	7682	7682	6210			6324	(1000 MT CWE)
Ending Stocks	0	0	0	0	0	0			0	(1000 MT CWE)
Total Distribution	7485	7488	6142	7760	7760	6271			6372	(1000 MT CWE)
CY Imp. from U.S.	0	0	0	0	0	0			0	(1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0	0	0			0	(1000 MT CWE)
Balance	0	0	0	0	0	0			0	(1000 MT CWE)
Inventory Balance	0	0	0	0	0	0			0	(1000 MT CWE)
Weights	127	127	141	129	129	139			137	(1000 MT CWE)
Production Change	6	6	0	-4	3	2			0	(PERCENT)
Import Change	150	300	0	400	275	0			9	(PERCENT)
Export Change	-5	-5	0	-24	-4	38			2	(PERCENT)
Trade Balance	76.0	73.0	73.0	48.0	48.0	50.0			36.0	(1000 MT CWE)
Consumption Change	6	6	0	-4	4	2			-21	(PERCENT)
Population	0	0	0	0	0	0			0	(HEAD)
Per Capita Consumption	0	0	0	0	0	0			0	(KG)
TS=TD			0			0			0	

*Cattle and Beef Trade Matrices*

China Live Cattle Imports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	15,072	14,744	9,790	4,580	-53.22
Australia	12,265	11,344	9,390	4,552	-51.52
New Zealand	2,802	3,400	400	28	-93.00
United States	0	0	0	0	0.00
Canada	0	0	0	0	0.00
Other	5	0	0	0	0.00
HS Code: 010210, 010290					
Source: GTA China Statistics					

China Beef and Veal Direct Imports, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	1,388	3,924	1,251	2,713	116.87
Uruguay	110	920	1	1,387	138600.00
Australia	1,034	2,195	1,006	1,273	26.54
New Zealand	234	457	237	44	-81.43
Brazil	7	333	4	0	-100.00
United States	0	0	0	0	0.00
Canada	0	0	0	0	0.00
Other	120	19	3	9	200.00
HS Code: 020110, 020120, 020130, 020210, 020220, 020230, 021020 & 160250					
Source: GTA from China Statistics					

Hong Kong Re-Exports of Beef and Veal to China, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	114	1997	1225	811	-33.80
Brazil	60	718	629	573	-8.90
United States	0	435	0	115	0.00
New Zealand	0	38	38	47	0.00
Australia	0	292	291	25	0.00
Canada	30	23	23	25	8.70
Argentina	0	219	56	0	0.00
Other	24	272	188	26	-86.17
HS Code: 020110, 020120, 020130, 020210, 020220, 020230, 021020 & 160250					
Source: WTA from China Statistics					

China Live Cattle Exports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	54,389	50,888	28,615	15,790	-44.82
Hong Kong	45,957	42,275	23,402	14,133	-39.61
Macau	5,898	5,517	2,771	1,486	-46.37
Malaysia	-	1,813	1,813	0	0.00
Korea North	20	450	450	0	0.00
Mongolia	167	143	122	0	-100.00
Saudi Arabis	2,217	0	0	0	0.00
Other	130	690	57	171	0.00
HS Code: 010210, 010290					
Source: GTA from China Statistics					

China Beef and Veal Exports, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	60,849	58,206	30,059	21,635	-28.02
Hong Kong	15,051	15,815	8,061	7,835	-2.80
Korea South	14,080	10,296	6,924	3,007	-56.57
Jordan	4,558	5,530	2,735	2,250	-17.73
Japan	10,439	8,365	3,146	1,623	-48.41
Kuwait	3,668	3,825	2,106	1,560	-25.93
Malaysia	2,371	2,631	1,007	1,101	9.33
Kyrgyzstan	312	1,925	412	916	122.33
Lebanon	2,269	1,937	871	773	-11.25
Angola	64	675	415	433	4.34
United Arab Emirates	169	761	398	387	0.00
Libya	303	75	75	352	369.33
Macau	297	338	167	138	-17.37
Korea North	1,602	913	449	100	-77.73
Indonesia	1,502	1,188	575	12	-97.91
Singapore	88	0	96	0	-100.00
Russia	73	0	79	0	-100.00
Other	4,003	3,932	2,543	1,148	-54.86
HS Code: 020110, 020120, 020130, 020210, 020220, 020230, 021020 and 160250					
Source: GTA from China Statistics					

China Wholesale Beef Prices On Average, 2005-2008 (US\$/KG)					
					% Change
MONTH	2005	2006	2007	2008	2007/06
January	1.81	2.10	1.99	3.81	91.46
February	1.98	2.08	2.23	3.91	75.34
March	1.93	1.94	2.09	3.78	80.86
April	1.88	2.06	2.10	3.74	78.10
May	1.99	2.01	2.06	3.82	85.44
June	1.96	2.00	2.21	3.82	72.85
July	1.92	1.99	2.34		
August	1.98	2.11	2.49		
September	1.88	2.12	2.53		
October	1.96	1.99	2.69		
November	1.92	2.00	2.80		
December	2.04	2.03	2.93		
Source: The Ministry of Agriculture (MOA)					



Swine PS&amp;D Table

Animal Numbers, Swine China	2007			2008			2009		
	2007			2008			2009		
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Total Beginning Stocks	494407	494407	418504	487801	464801	439895			461508 (1000 HEAD)
Sow Beginning Stocks	44000	46500	44206	44099	46000	43989			46188 (1000 HEAD)
Production (Pig Crop)	589333	630000	592080	604158	640000	615846			646632 (1000 HEAD)
Intra-EU Imports	0	0	0	0	0	0			0 (1000 HEAD)
Other Imports	3	3	3	4	4	9			10 (1000 HEAD)
Total Imports	3	3	3	4	4	9			10 (1000 HEAD)
Total Supply	1083743	1124410	1010587	1091963	1E+06	1055750			1108150 (1000 HEAD)
Intra EU Exports	0	0	0	0	0	0			0 (1000 HEAD)
Other Exports	1609	1609	1609	1550	1550	1492			1400 (1000 HEAD)
Total Exports	1609	1609	1609	1550	1550	1492			1400 (1000 HEAD)
Sow Slaughter	0	0	0	0	0	0			0 (1000 HEAD)
Other Slaughter	589333	652000	565083	588158	644645	586750			619167 (1000 HEAD)
Total Slaughter	589333	652000	565083	588158	644645	586750			619167 (1000 HEAD)
Loss	5000	6000	4000	2500	5000	6000			3000 (1000 HEAD)
Ending Inventories	487801	464801	439895	499755	453610	461508			484583 (1000 HEAD)
Total Distribution	1083743	1124410	1010587	1091963	1E+06	1055750			1108150 (1000 HEAD)
CY Imp. from U.S.	0	0	0	1	2	6			7 (1000 HEAD)
CY. Exp. to U.S.	0	0	0	0	0	0			0 (1000 HEAD)
Balance	0	0	0	0	0	0			0 (1000 HEAD)
Inventory Balance	-6606	-29606	21391	11954	-11191	21613			23075 (1000 HEAD)
Inventory Change	-2	-2	0	-1	-6	5			5 (PERCENT)
Sow Change	-91	-5	-6	902	-1	0			5 (PERCENT)
Production Change	-8	-7	-3	3	2	4			5 (PERCENT)
Production to Sows	13.4	14.0	13.4	14.0	14.0	14.0			14.0 (PERCENT)
Trade Balance	1606	1606	1606	1546	1546	1483			1390 (1000 HEAD)
Slaughter to Inventory	119	132	135	121	139	133			134 (PERCENT)
TS=TD			0			0			0

## Pork PS&amp;D Table

Meat, Swine China	2007			2008			2009		
	2007			2008			2009		
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Slaughter (Reference)	589333	652000	565083	588158	644645	586750			619167 (1000 HEAD)
Beginning Stocks	0	0	0	0	0	0			0 (1000 MT CWE)
Production	44200	41609	42878	44700	42026	44593			46822 (1000 MT CWE)
Intra-EU Imports	0	0	0	0	0	0			0 (1000 MT CWE)
Other Imports	198	186	198	210	200	505			550 (1000 MT CWE)
Total Imports	198	186	198	210	200	505			550 (1000 MT CWE)
Total Supply	44398	41795	43076	44910	42226	45098			47372 (1000 MT CWE)
Intra EU Exports	0	0	0	0	0	0			0 (1000 MT CWE)
Other Exports	350	350	350	330	330	198			170 (1000 MT CWE)
Total Exports	350	350	350	330	330	198			170 (1000 MT CWE)
Human Dom. Consumption	44048	41445	42726	44580	41896	44900			47202 (1000 MT CWE)
Other Use, Losses	0	0	0	0	0	0			0 (1000 MT CWE)
Total Dom. Consumption	44048	41445	42726	44580	41896	44900			47202 (1000 MT CWE)
Ending Stocks	0	0	0	0	0	0			0 (1000 MT CWE)
Total Distribution	44398	41795	43076	44910	42226	45098			47372 (1000 MT CWE)
CY Imp. from U.S.	88	88	91	94	94	255			275 (1000 MT CWE)
CY. Exp. to U.S.	0	0	0	0	0	0			0 (1000 MT CWE)
Balance	0	0	0	0	0	0			0 (1000 MT CWE)
Inventory Balance	0	0	0	0	0	0			0 (1000 MT CWE)
Weights	75	64	76	76	65	76			76 (1000 MT CWE)
Production Change	-9	-9	0	1	1	4			5 (PERCENT)
Import Change	120	107	120	6	8	155			0 (PERCENT)
Export Change	-36	-36	-36	-6	-6	5			9 (PERCENT)
Trade Balance	152	164	152	120	130	-307			-380 (1000 MT CWE)
Consumption Change	-9	-9	-7	1	1	0			0 (PERCENT)
TS=TD			0			0			0

*Swine and Pork Trade Matrices*

China Swine Imports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	2,489	2,506	622	4,597	639.07
United States	1,038	194	194	3,226	1562.89
Canada	503	1,780	336	1371	308.04
Denmark	662	0	0	0	0.00
United Kingdom	266	262	0	0	0.00
France	0	270	0	0	0.00
Other	20	0	92	0	0.00
HS Code: 010310, 010391, 010392					
Source: GTA from China Statistics					

China Pork Imports by Reporting Countries' Export Statistics, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
World	52,308	98,274	36,438	107,835	195.94
United States	31,866	67,870	24,151	96,178	298.24
Canada	15,870	17,576	7,797	11,603	48.81
France	2021	3767	1,222	0	-100.00
Belgium	668	960	322	0	-100.00
Denmark	629	4,319	2,155	0	-100.00
Other	1,254	3,782	791	54	-93.17
HS Code: 020311, 020312, 020319, 020321, 020322, 020329, 021011 021012, 021019, 160241, 160242 & 160249 ,					
Source: GTA from Reporting Countries' Export Statistics					
Note: Hong Kong Pork Re-export to China is in a separate table.					

Hong Kong Pork Re-Exports to China, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Origin	2006	2007	2007	2008	2008/07
The World	17,127	53,696	18,138	88,289	386.76
United States	362	1,956	569	18,227	3103.34
Spain	3,581	11,243	4,055	12,607	210.90
Germany, Fed Rep	4,851	8,991	3,101	11,916	284.26
Canada	1,637	641	249	11,301	4438.55
Netherlands	690	4,809	1,077	6,253	480.59
Poland	497	2,478	378	4,814	1173.54
Brazil	719	6,209	2,560	4,648	81.56
Italy	100	3,545	266	4,456	1575.19
Denmark	2,537	3,132	1,215	2,526	107.90
France	627	2,900	1,457	2,227	52.85
Belgium	1,045	2,639	1,352	1,986	46.89
United Kingdom	151	791	134	1,803	1245.52
Hungary	-	736	25	1,476	5804.00
Ireland	225	803	390	1,179	202.31
Other	105	2,823	1,310	2,870	119.08
HS Code: 020311, 020312, 020319, 020321, 020322, 020329, 021011 021012, 021019, 160241, 160242 & 160249 ,					
Source: WTA from Hong Kong Census and Statistics Department					

China Swine Exports, 2006-2008 (Number of Head)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	1,722,540	1,609,008	790,014	746,108	-5.56
Hong Kong	1,602,222	1,491,689	731,240	699,031	-4.40
Macau	117,382	116,712	58,226	46,934	-19.39
Korea North	2,294	347	315	0	0.00
Other	642	260	233	143	-38.63
HS Code: 010310, 010391, 010392					
Source: GTA from China Customs Statistics					

China Pork Exports, 2006-2008 (Metric Tons)					
	Jan-Dec	Jan-Dec	Jan - Jun		Jan - Jun
	Quantity	Quantity	Quantity Comparison		% Change
Destination	2006	2007	2007	2008	2008/07
World	418,788	269,099	154,383	76,308	-50.57
Hong Kong	129,965	107,431	62,716	40,828	-34.90
Japan	79,133	74,430	36,506	20,264	-44.49
Kyrgyzstan	15,522	10,172	4,595	2,806	-38.93
Malaysia	11,258	7,934	4,679	2,468	-47.25
Macau	6,242	5,170	3,207	2,136	-33.40
Vietnam	29,322	9,623	4,879	1,570	-67.82
Korea North	75,364	21,166	12,623	1,562	-87.63
Singapore	12,748	6,456	4,672	1,161	-75.15
Philippines	13,571	9,525	6,117	723	-88.18
Indonesia	3,032	1,291	1,108	475	-57.13
Korea South	8,006	433	196	263	34.18
Angola	2,341	359	194	9	-95.36
Albania	6,783	5,158	5,008	0	-100.00
Kazakhstan	5,420	2,280	2,280	0	-100.00
Russia	6,984	822	821	0	-100.00
Moldova	2,041	294	294	0	-100.00
Georgia	2,195	78	78	0	-100.00
Ukraine	630	0	0	0	0.00
Other	8,231	6,477	4,410	2,043	-53.67
HS Code: 020311, 020312, 020319, 020321, 020322, 020329, 021011 021012, 021019, 160241, 160242 & 160249					
Source: GTA from China Customs Statistics					

China Retail Pork Prices On Average, 2005-2008 (RMB/KG)					
					% Change
MONTH	2005	2006	2007	2008	2008/07
January	14.14	12.43	14.91	25.53	71.23
February	14.33	12.18	14.97	26.08	74.22
March	13.95	11.65	14.50	25.56	76.28
April	13.58	11.13	14.39	25.68	78.46
May	13.27	10.71	15.86	24.71	55.80
June	13.15	10.58	17.74	24.10	35.85
July	13.07	11.06	20.77		
August	12.94	12.01	22.95		
September	13.00	12.82	22.10		
October	12.34	12.99	21.15		
November	11.87	13.35	22.35		
December	11.95	14.40	24.05		
Source: The Ministry of Agriculture					

China Retail Hog Prices On Average 2005-2008 (RMB/KG)					
					% Change
MONTH	2005	2006	2007	2008	2008/07
January	8.80	7.40	9.55	16.50	72.77
February	8.84	7.11	9.20	16.70	81.52
March	8.69	6.68	8.90	16.83	89.10
April		6.21	9.02	16.87	87.03
May	8.05	5.96	10.20	15.77	54.61
June		6.08	11.37	15.35	35.00
July	7.94	6.47	13.12		
August	8.05	7.17	14.27		
September	7.75	7.84	13.60		
October	6.98	7.93	13.21		
November	6.75	8.33	14.13		
December	6.95	9.18	15.46		
Source: The Ministry of Agriculture					

China Retail Piglet Prices On Average 2005-2008 (RMB/KG)					
					% Change
MONTH	2005	2006	2007	2008	2008/07
January	13.43	9.24	12.12	29.66	144.72
February	13.56	9.48	12.26	30.62	149.76
March	14.64	8.85	12.68	35.29	178.31
April	14.51	7.82	13.31	38.23	187.23
May	14.02	6.98	15.09	36.11	139.30
June	13.73	6.84	17.17	34.55	101.22
July	13.35	7.05	20.11		
August	14.02	8.31	24.09		
September	12.09	9.60	23.70		
October	10.02	9.85	22.62		
November	8.83	10.25	23.84		
December	8.68	11.44	26.21		
Source: The Ministry of Agriculture					